

Governing Council – Fees and Levy

28 April 2022



Teaching Council – Matairangi Boardroom

- 8:00am – 3:00pm
- Level 11, 7 Waterloo Quay, Pipitea, Wellington

Council Paper

Item 3.2.1
Council Meeting
28/04/2022

SUBJECT:	Fees and levy consultation – further information to assist with decision-making
TO:	Members of the Teaching Council
FROM:	Clive Jones, DCE Operational Services
PREPARED BY:	[REDACTED]
FOR:	<input type="checkbox"/> Approval <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Information

Recommendations

It is recommended that the Governing Council:

- i. **Notes** further information provided in response to the Governing Council hui of 14 April 2022 about:
 - (a) explaining inflation adjustment differences
 - (b) hearing oral submissions from petition organisers
 - (c) part-time and relief teachers
 - (d) Council response rates to queries and requests received from the profession
 - (e) debate about Government funding of the Teaching Council
 - (f) comparison of analytics between 2020 and 2022 consultations
- ii. **Notes** information relating to additional fees for teachers applying to move from a Tōmua | Provisional practising certificate to a Tūturu | Full (Category One) practising certificate and applications from overseas-trained teachers
- iii. **Advises** if there is further information or advice needed to support decision-making.

Purpose

1. The purpose of this paper is to provide information requested by the Governing Council following their hui of 14 April 2022 where oral submissions were heard and a deep review of key themes emerging from the consultation period were explored and discussed. The information provided forms part of the pool of information relevant to deciding what fee and levy increase should apply for the three financial years 2022/23 to 2024/25.
2. The paper aims to support the Council's risk assessment and decision-making process, which includes deciding if a further period of re-consultation should be undertaken.

Discussion

Inflation adjustment differences

3. The historic impact of inflation on fees was discussed in the consultation document. In their responses to the consultation, the PPTA and a number of individual teachers challenged the Council's calculation of inflation using the CPI index.
4. Further information about the difference in inflation estimates will be provided at the hui on 28 April 2022.
5. It was noted during kōrero that care will be needed, when explaining any differences in inflation estimates, so that there is not confusion about the impact of the change, or the narrative explained in the consultation documents. The historic inflation was to help explain why the fee had increased.
6. Making visible the proposed inflation calculation in the fee setting period we are currently consulting on will help to ensure there is no confusion about what was historic and what is current.

Hearing oral submissions from petition organisers

7. Section 480(4)(a) of the Act relating to Teaching Council fees, levies, and costs requires the Council to "consult registered teachers and holders of a limited authority to teach on any proposed fees or levies".
8. The Governing Council heard an oral submission from Jacob (Jake) Angus at its hui of 14 April 2022, among others. Jake was the coordinator of a petition during this current consultation round that generated 13,000 signatures. The Council has also extended an opportunity for [REDACTED] to make an oral submission - [REDACTED] submitted a petition during the 2020 consultation round.

Part-time and relief teachers

9. The Governing Council requested further information about the number of beginning teachers joining each year and the proportion of part-timers and relievers.
10. Appendix One sets out the 2020 and 2021 data available about teachers obtained from the Education Counts website. In 2021, 15,704 or 48% of ECE teachers worked part-time. The numbers of teachers, excluding ECE, who worked part-time in 2020 was 12,529 (or 19%) with just over 9,000 (or 14%) working as day relief.
11. Their data uses the term 'first qualified' which we interpret as a beginning teacher. In 2020 3,331 teachers with a first qualification were employed in the schooling sector. Of these 237 (or 7%) were in part-time employment arrangements (permanent or fixed term) and 539 (or 16%) were employed as day relievers.

Teaching Council response to queries and requests received from profession

12. The Governing Council requested further information about Council response times. Some submitters commented on the service delays they experienced when interacting with the Council.
13. On 14 March 2022 we published a notice on our website advising that Covid-19 was causing delays in the response from our call centre. This was a one-off event at a time when many other organisations' service delivery was also being impacted by the pandemic.
14. Apart from this instance, the dashboard and service level information provided to the Governing Council suggests delays are not generally occurring and this is not a systemic issue. The comments made in submissions may reflect historical rather than current experiences.

Debate about government funding of Teaching Council

15. An emerging theme from submitters is the role of Government in funding the Council and/or paying for teachers' fees and levies. The PublicVoice analysis report will provide further information on this.
16. Reference was made to a submitter's comment "that in parliamentary discussion the possibility of receiving funding from government was suggested – the council has not shared this which is misrepresentative". A review of the select committee report on the Education and Training (Teaching Council Fees, Levies, and Costs) Amendment Bill shows both the Green Party and the National Party commented on the Government extending transitional funding. Debates held during the passage of the Bill show both National and Green Party comment indicating they thought an independent Teaching Council should be paid for by the profession. The consultation document included the following comments on page 27:

"Exploring the potential for ongoing government funding for the Council's mandatory functions:

In December 2021 the Council again met with the Minister of Education to explore the possibility of further funding to support delivery of its mandatory functions.

At this meeting the Minister reconfirmed that no further government transition funding will be provided to support the work associated with the Council's mandatory functions."

Comparison of 2020 and 2022 consultation analytics

17. The Governing Council requested information comparing the analytics between the 2020 and 2022 consultations. This will be provided at the hui on 28 April 2022.

Additional fees for applications for teachers shifting from Tōmua | Provisional practising certificate to a Tūturu | Full (Category One) practising certificate

18. We currently charge an additional \$81.77 on top of the standard fee for teachers applying to move from a Tōmua | Provisional practising certificate to a Tūturu | Full (Category One) practising certificate.
19. We have consulted on increasing this to \$100.
20. Since the removal of appraisal, the onus for determining whether a teacher has met the requirements to move from Tōmua | Provisional practising certificate to a Tūturu | Full (Category One) practising certificate has largely shifted to the professional leader who endorses the application.
21. However, the registration officer still does some additional assessments compared to an initial application for a Tōmua | Provisional practising certificate or a renewal of a Tūturu | Full (Category One) practising certificate around whether the applicant has satisfied the two years induction and mentoring requirement including whether the mentor is suitable.
22. In some cases, New Zealand-trained teachers with a Tōmua | Provisional practising certificate head overseas and there is assessment required by our registration officers when they return and apply for

their Tūturu | Full (Category One) practising certificate where they are seeking dispensation of the two years induction and mentoring against their overseas experience.

23. The options available for consideration are:

- a. **As proposed** - retain the proposed \$100 additional fee for moving from a Tōmua | Provisional practising certificate to a Tūturu | Full (Category One) practising certificate
- b. **Reduce** - decreasing the fee for Tōmua | Provisional practising certificate to a Tūturu | Full (Category One) practising certificate would require an increase in the overall application fee to offset the reduction in this revenue stream (rough estimate is between \$6 and \$7 per application)
- c. **Remove** the additional fee completely - this would require us to pass the impact of the lost revenue onto all teachers by increasing the standard application fee. This would result in a small element of cross-subsidisation between categories as there is some additional work undertaken in the assessment of teachers applying for their first Tūturu | Full (Category One) practising certificate

Additional fees for applications from overseas-trained teachers

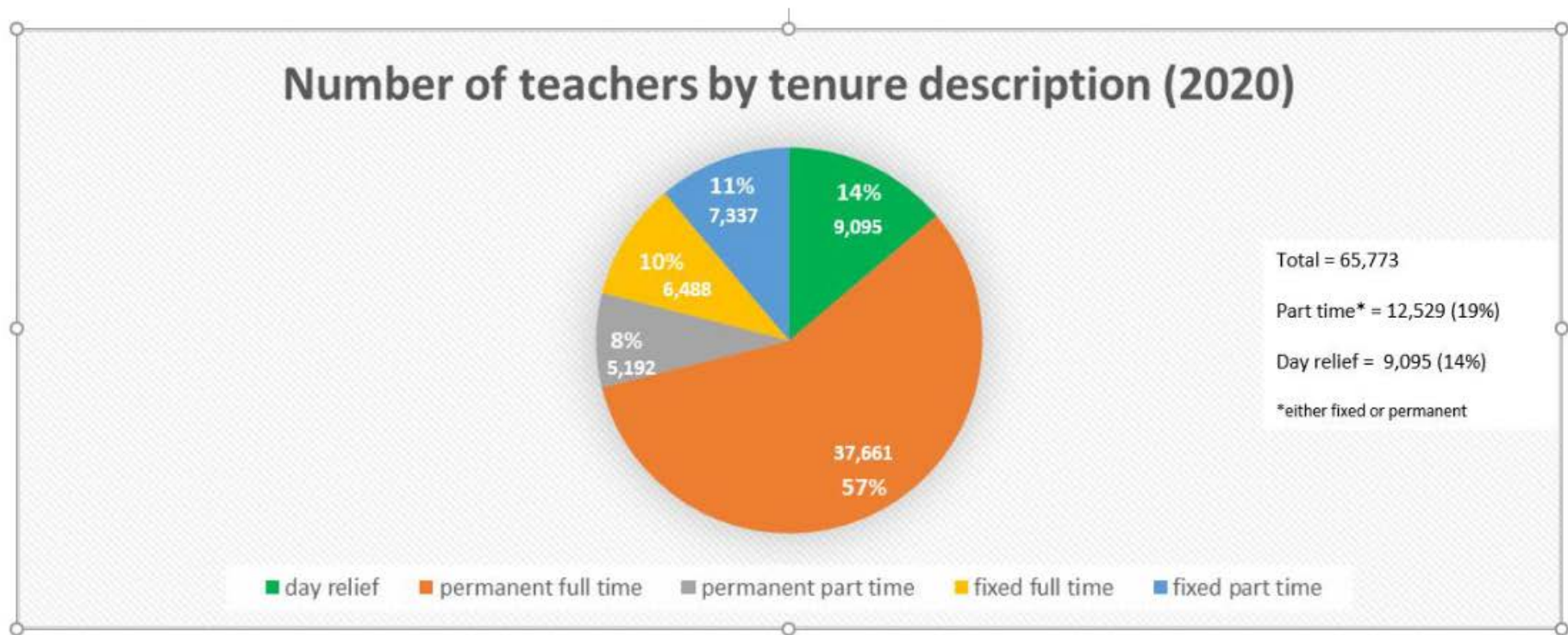
24. An overseas applicant also currently pays the \$81.77 surcharge when applying, which has been proposed to be increased to \$100. The registration officer effort involved in assessing overseas-trained teachers' applications is time-consuming and has not changed with the introduction of Hapori Matatū. It is probably that the \$100 does not represent the full costs of assessing an overseas-trained teacher application.

25. The options available for consideration are:

- a. **As proposed** - retain the proposed \$100 additional fee for an overseas-trained applicant
- b. **Increase** - increase the fee charged to overseas-trained applicants to recognise the extra time and effort involved in processing their applications. This could be used to off-set a reduction in the fee for New Zealand-trained teachers applying to move from a Tōmua | Provisional practising certificate to a Tūturu | Full (Category One) practising certificate.

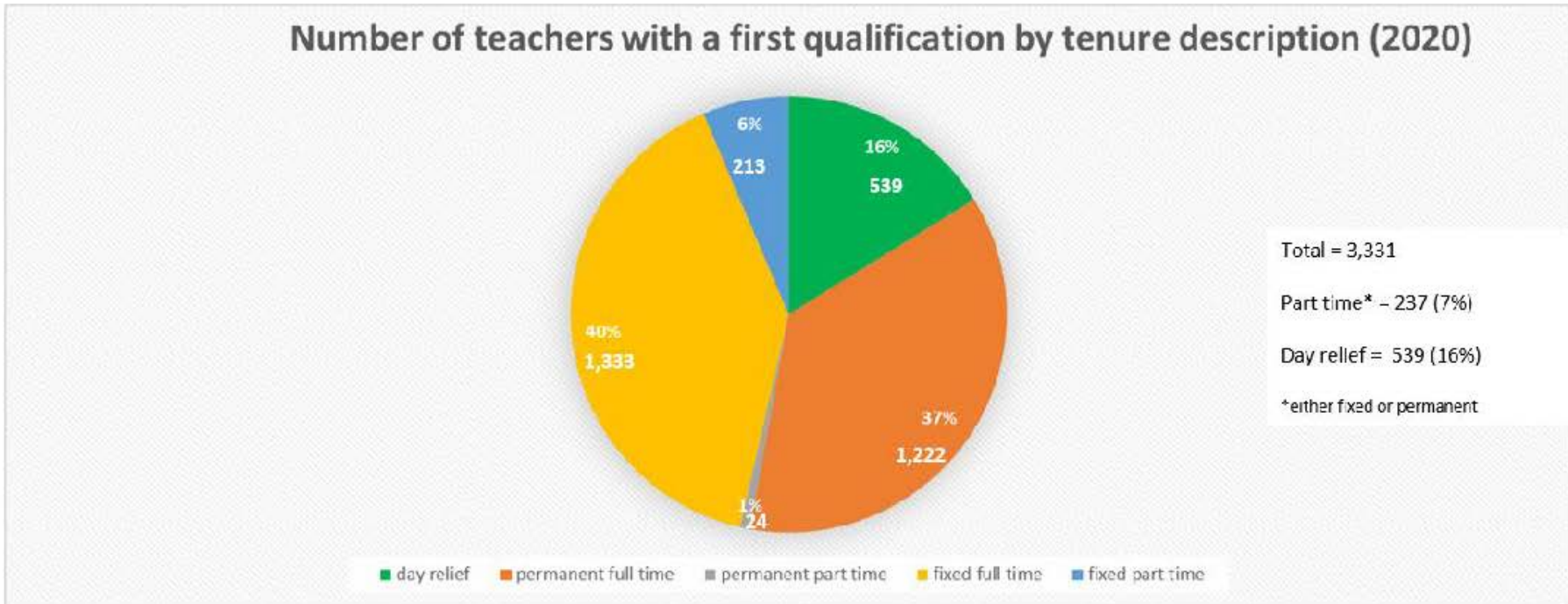
Appendix One – Teachers in part-time and relief roles

Graph One : number of teachers by tenure (excludes ECE teachers but includes beginning teachers shown in Graph Two)



Data from Education Counts.

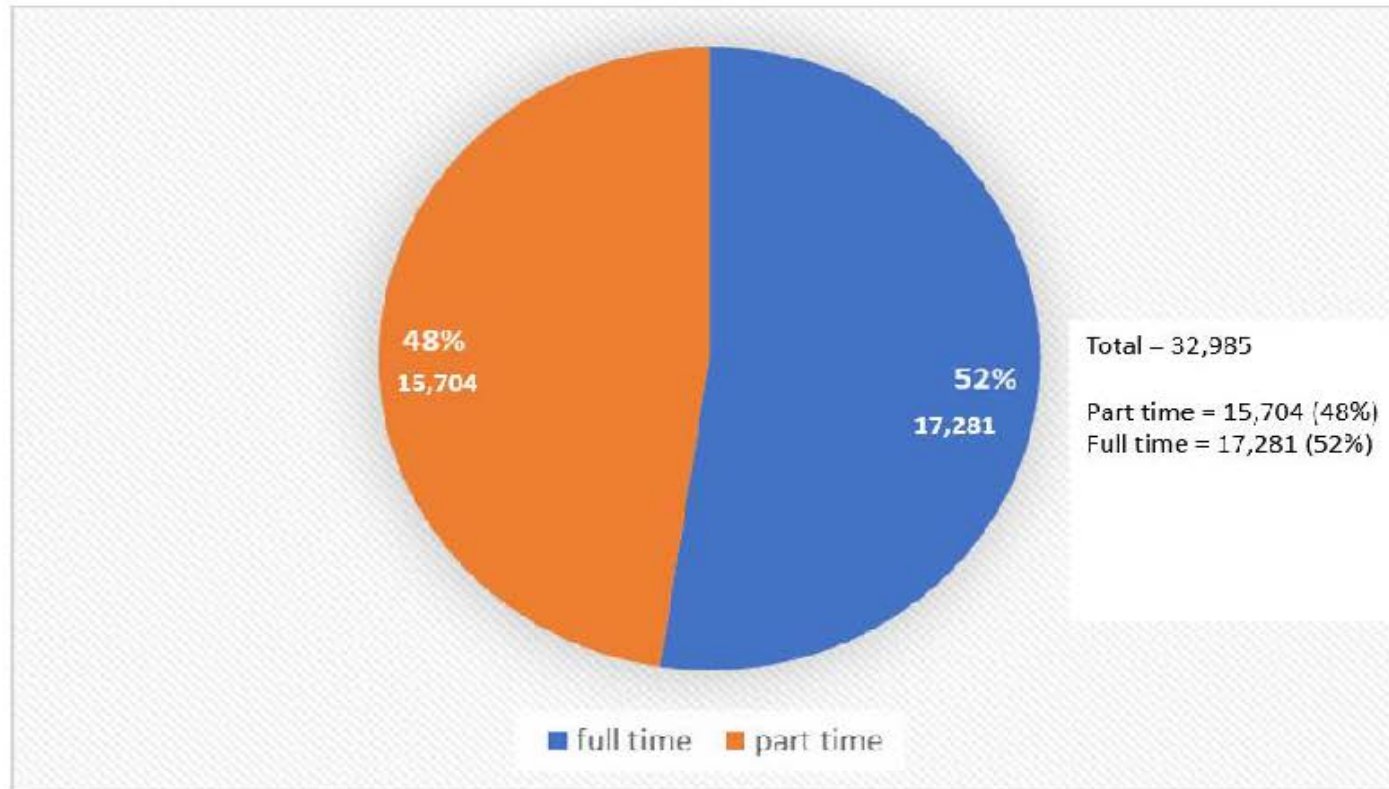
Graph Two : number of beginning teachers by tenure (excludes ECE teachers)



Note: we interpret the term “teachers with a first qualification” as referring to beginning teachers

Data from Education Counts.

Graph Three : Number of ECE teaching staff by service type



Data from Education Counts.

Council Paper

Item X
Council/Committee Meeting
xx/xx/xx

SUBJECT:	Fees and levies consultation – options for potential additional savings and minimum legal requirements
TO:	Governing Council
FROM:	Pauline Barnes, DCE Professional Services
PREPARED BY:	[REDACTED]
FOR:	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Information

Recommendations

It is recommended that the Governing Council:

1. **Notes** further information provided in response to the Governing Council hui of 14 April 2022 about the options for potential additional savings across the next three financial years and beyond
2. **Notes** information about the options for a shift in the balance of ITE-related cost recovery
3. **Notes** information provided about the use of Teaching Council reserves
4. **Discusses** possible savings to take into consideration in decision-making related to the setting of fees and levy.

Purpose

1. The purpose of this paper is to provide information requested by the Governing Council following their hui of 14 April 2022 where oral submissions were heard and a high-level overview of key themes emerging from the consultation period were discussed. The Governing Council sought information about the options for further additional savings across the next three financial years 2022/23 – 2024/25 and beyond. The information provided forms part of the pool of information relevant to deciding what fee and levy increase should apply for the three financial years ending 2022 to 2025. The paper aims to support the Council's risk assessment and decision-making process, which includes deciding if a further period of re-consultation should be undertaken.

Discussion

Operational savings already included in model

2. Appendix One provides a breakdown for each of the six pou representing our functions, showing the costs included in our consultation documents and the assumed savings that have already been incorporated into the proposed fees for the next three financial years. Savings equivalent to \$1,351,000 have already been calculated in the model used to produce the fees and levy proposed in the consultation documents – this equates to \$12.84 (inclusive of GST) not being added to the proposed three-year practising certificate renewal cost of \$472.21. These savings have been generated in the areas of depreciation, insurance, reduced travel costs, and projected savings in legal and hearing costs associated with our conduct functions.

Potential additional savings that could be applied this triennial period and associated risks

3. Appendix One also sets out options for achieving additional savings of \$2,354,394 over this same three-year financial period. This equates to a decrease of \$22.38 for the proposed three-year practising certificate renewal cost of \$472.21 – if these additional costs savings were applied then the practising certificate renewal cost would become \$449.83.
4. These potential additional savings could be generated through the following areas:
 - a. recognising vacancy savings in the fee and levy calculation (but not within the annual budget);
 - b. reducing funds available for delivery of strategic initiatives (via one-off projects)
 - c. less travel associated with the Governing Council, Professional Responsibility Team, and ITE Team;
 - d. processing efficiencies within the Registration Team and ITE Team;
 - e. increasing the level of costs recovered from ITE providers;
 - f. ceasing to pay for priority vetting services by New Zealand Police.
5. Each of these costs savings may be associated with risks to our service delivery and the ability to meet our statutory obligations. These risks are outlined in the table in Appendix One.
6. Further savings may be generated by deferring our work programme in the areas of maintaining the Code and Standards (a function under s.479(1)(g)) and maintain standards for qualifications that lead to teacher registration (s.479(1)(g)). The *Code | Ngā Tikanga Matatika* and *Standards | Ngā Paerewa* were issued in June 2017 so have been in effect for five years. The *ITE Requirements* were published in April 2019 so have now been in effect for three years.

7. Deferring a review of these key policy documents beyond the next three financial years until the financial year 2025-26 will mean they have not been reviewed for eight and six years respectively.

ITE costs

8. The Governing Council requested further information about the opportunities to assign more ITE-related costs to ITE providers. There are two parts to ITE costs. The first relates to strategy and policy development which impacts on how ITE fits within the profession. The second part is how the Council works with ITE providers. This includes approving, monitoring and reviewing programmes.
9. There is the option to re-consider a shift in the balance of ITE-related costs, for example recovering more direct costs where that is possible. We understand our current charging regime is similar to other agencies charging tertiary institutions. The PPTA view is that the costs should lie with student teachers, not registered teachers.

10.

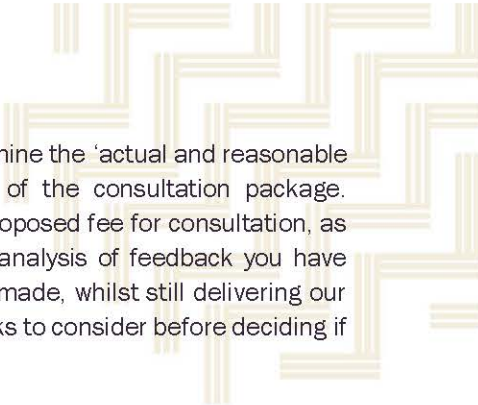
11. Appendix Two sets out our legislative requirements in the ITE space. In most cases we are meeting the minimum requirements. There are possible further opportunities to charge for services in the areas of:

- a. responding to specific providers requests of exemptions and changes to programmes
- b. attendance at annual lecture for graduating students to explain who we are and about the registration process
- c. contributing to facilitating cross provider learning (e.g., currently free online symposia)
- d. cover the cost of national moderation events.

12. The risks associated with these options are outlined in the table in Appendix One.

Potential additional savings that could be applied

13. Achieving further savings beyond those identified above, and still delivering our legally mandated functions would involve significant changes to some of our policies, operating models, service levels and business practices. Changes of this magnitude would require codesign with the profession and consultation. Typically changes of this magnitude may take 12-18 months at the policy development stage and a further period of time to implement. Acknowledging there is insufficient time before you make decisions on fees and levies for the next three-year period, the opportunity to undertake a full assessment of the potential savings and their associated risks and benefits is limited. There is however the opportunity to conduct comprehensive reviews of operating models and potential cost savings over the next three years to be incorporated in the fee setting for the 2026 – 2028 triennial period.
14. Appendix Three sets out how the cycle of strategic planning, exploring efficiency and effectiveness cost savings, and setting new fees and levies may align.

- 
15. It was noted the possibility of reducing costs substantially may undermine the 'actual and reasonable costs' assessment undertaken by Deloitte and released as part of the consultation package. Consideration of efficiencies was taken into account in setting the proposed fee for consultation, as summarised at paragraph 4 above. However, in response to early analysis of feedback you have asked for consideration to be given to further savings that could be made, whilst still delivering our statutory functions. There are of course some delivery and service risks to consider before deciding if you want to pursue this approach.

Options for using reserves

16. In broad terms, financial reserves represent an accumulation of prior year surpluses. For a Not-for-Profit organisation, it is critical that reserves are carefully managed, balancing the need for a sufficient contingency fund with achieving the organisation's mission. Reserves provide a cushion against unexpected events, losses of income, and large unbudgeted expenses.
17. The legislative requirement to charge for only 'actual and reasonable' expenses inhibit the Council's ability to replenish reserves i.e., the reserves currently held by the Council are primarily historical and not replaceable once used.
18. The Council's reserves are expected to be around \$8.5m as of 30 June 2022. The Council's Reserves Policy recommends that reserves should be sufficient to cover a minimum of three and a half months average operating expenditure, which equates to approximately \$5.5m.
19. Using reserves to decrease the total fees and levy paid by teachers in the next three-year period is an option. However, this would be a temporary reduction in the fees and levy set by Council and would likely result in a larger increase being required for the triennial period commencing in the 2026 financial year i.e., more than the inflationary impact over the next three years.
20. If a more aggressive approach is taken to applying significant costs savings in the next three financial years, it is possible that reserves may be required to cover any shortfalls that emerge because the anticipated cost savings do not eventuate.

PAPER : OPTIONS FOR POTENTIAL ADDITIONAL SAVINGS

CONFIDENTIAL

Appendix One : Assumed and potential savings by pou, based on adjustment to service delivery but also taking into account the statutory *minimum* requirements.

Functions: section 479 (1) (a, b, c, d, e, f, g, h, i, j, k, l, m, n, o, p) of Education and Training Act 2020

Total net expenditure assigned to Pou (ex GST)	Pou cost per teacher #			Assumed annual savings (already included in model and proposed fee & levy as included in consultation document)			Potential <u>additional</u> savings over 3 years 2022-25			
	Ex-GST	GST	Total	Area of saving	Total Pou savings	Pou savings per teacher over 3 yrs # (incl. GST)	Area of saving	Total Pou savings	Pou savings per teacher # (inc GST)	Associated risks
Pou Matatika – ensuring high standards of ethical behaviour										
7,388,476	183.21	27.48	210.70	Various	785,867	7.47	PR travel savings	100,000		Based on current case load and number of online hearings – if an increase then costs increase
							Share of vacancies savings	164,469		Vacancy savings may not eventuate, requiring the use of reserves to meet the shortfall
							Share of Board travel savings	31,266		Incoming Board and advisory groups may not agree to host some hui online
							Share of project savings	120,000		May limit meeting strategic goals or ad-hoc urgent operational matters
							Total	415,735	3.95	
Pou Mataara – ensuring high-quality teacher practice										
1,458,655	36.17	5.43	41.60	Various	92,118	0.88	Share of vacancies savings	32,718		As above
							Share of Board travel savings	6,220		As above
							Share of project savings	80,000		As above
							Total	118,938	1.13	
Pou Whai Rēhitanga – becoming registered and certified as a teacher										
5,049,397	112.14	16.82	128.96	Various	360,306	3.42	Cease priority Police vetting service (\$93,000 per annum)	279,000		Currently priority Police vetting allows 95% of applications to be processed within 5 days of the police receiving the vet request and 80% of applications processed within 10 days of

										endorsement. Shifting from 5 day to 20 day Police turn-around likely to increase process times to > than 25 working days.
							Processing efficiency in registration	240,000		An increase in requests for Extensions to Teach and teachers teaching without a current practising certificate. If efficiencies are not achieved, reserves will be required to maintain acceptable service delivery standards (a reduction in staffing in this area without processing efficiencies quickly results in unacceptable processing times).
							Share of vacancies savings	118,385		As above
							Share of Board travel savings	22,506		As above
							Share of project savings	120,000		As above
							Total	779,891	7.41	
Pou Here Tōmua – establishing and maintaining standards for ITE and undertaking ITE programme approvals										
1,627,956	40.37	6.06	46.43	Various	101,387	0.96	Additional recoveries from ITE providers	400,000		Reflects reassessment of current recoveries plus adding new areas for recovery. May result in some providers not seeking our services when they should and therefore risking some aspects of quality delivery.
							Processing efficiency in ITE	200,000		Lowers our opportunity to influence IE in a way that lifts quality and relevance.
							ITE travel savings	75,000		Replacing travel with online engagement may not be so effective over time.
							Share of vacancies savings	38,415		As above
							Share of Board travel savings	7,303		As above
							Share of project savings	80,000		As above
							Total	800,718	7.61	
Pou Tikanga Matatika, Ngā Paerewa - establishing and maintaining the Code and Standards										
790,824	19.61	2.94	22.56	Various	6,419	0.06	Share of vacancies savings	16,652		As above
							Share of Board travel savings	3,166		As above
							Share of project savings	120,000		As above
							Total	139,817	1.33	
Pou Aro Whakamua – steering the future direction of teaching										
771,003	19.13	2.87	21.99	Various	3,330	0.03	Share of vacancies savings	16,213		As above
							Share of Board travel savings	3,082		As above
							Share of project savings	80,000		As above
							Total	99,296	0.95	

TOTAL POU										
17,077,526	410.62	61.59	472.21	Various	1,351,000	12.84	Vacancies savings	386,852		
							Board travel savings	73,542		
							Project savings	600,000		
							PR travel savings	100,000		
							Cease priority Police vetting service (\$93,000 per annum)	279,000		
							Processing efficiency in registration	240,000		
							Additional recoveries from ITE providers	400,000		
							Processing efficiency in ITE	200,000		
							ITE travel savings	75,000		
							Total	2,354,394	22.38	

per teachers costs calculated by applying number of applications received over three years – 121,000

PAPER : FEES AND LEVY CONSULTATION – ITE STATUTORY REQUIREMENTS

Appendix Two : ITE options






Legislative requirements	Minimum requirements	Current approach
s. 479(1)(g) to establish and maintain standards for qualifications that lead to teacher registration	<ul style="list-style-type: none"> Working with the sector to establish requirements for qualifications Maintaining the standards so that small updates are made for understanding and clarification 	Our current approach is the minimum statutory expectation
s. 479(1) (h) to review the standards for qualifications after consultation with the minister	<ul style="list-style-type: none"> Regularly review the requirements to respond to changes in government strategies and policies (e.g. curriculum refresh), the Council’s standards and registration policies, system level monitoring and evaluation of impact, other developments in aspects of teaching or of our workforce Review the requirements for specific circumstances (e.g. COVID temporary policy) 	<p>Our current approach is the minimum statutory expectation, and we currently rely on government to fund evaluation.</p> <p>We may not currently meet this minimum. We will need to be actively involved in this work over the next three-year period especially because of curriculum review.</p>
s. 479(1) (i) to conduct, in conjunction with quality assurance agencies, approvals of teacher education programmes	<ul style="list-style-type: none"> Creating a joint approach with NZQA and CUAP to approve and review programmes Review readiness of programme approvals or reviews to come to panels Run, attend panel Make approval decisions or recommendations for resubmission Establish and maintain processes for monitoring compliance with requirements Establish and maintain processes for applying discretion where that is allowed for in the requirements Establish and maintain processes for approvals in special circumstances (e.g. COVID temporary policy) 	Minimum
s. 479 (4) The Teaching Council has and may exercise all other powers conferred by this Act or reasonably necessary for the purpose of performing its functions.	<ul style="list-style-type: none"> Monitoring programmes Evaluating impact of programmes Contributing to system policy on ITE Establishing national moderation process as set out in the requirements 	<ul style="list-style-type: none"> We use relationship model for ITE providers to connect to the Council on the ground issues or concerns. This enables us to better respond in a timely way and maintain the standards We have an ITE Advisory Group to discuss, develop and recommend changes to the requirements and/or ITE system policy (which may go beyond TC mandate) We provide assistance to providers and their staff to understand our requirements, to understand the standards

		<p>and code, so that their programme design is most likely to meet our expectations</p> <ul style="list-style-type: none"> • Supporting the ITE providers and Principals and leaders to develop authentic relationships
<p>s. 480 (5) The Teaching Council may also charge a fee for any goods or services it provides in accordance with its functions under section 479(1).</p>	<p>Fees are charged to ITE providers for Approval panels and Review Panels and external monitors</p>	<p>Possible further opportunities for charging for services:</p> <ul style="list-style-type: none"> • Responding to provider specific questions –and exceptions and exemptions consideration for individual students • Attendance at annual lectures for graduating students to explain who we are and about registration processes • Contribution to facilitating cross provider learning (currently free online symposia) • To cover the cost of national moderation events (part of the requirements that they participate – but there will be a cost to TC too)
<p>s. 480 (6) Fees fixed and levies imposed under subsection (1) and any fees charged under subsection (5) must recover only the actual and reasonable costs incurred by the Teaching Council in performing its functions set out in section 479(1).</p>	<p>The fees above are based on reimbursement of direct costs for travel, venue and panel members fees, plus a set amount for staff time at the panel, charged out to include overhead component</p>	

PAPER : FEES AND LEVY CONSULTATION – OPTIONS FOR ADDITIONAL SAVINGS


Appendix Three : Cycle of Governing Council appointments, strategic planning and fee and levy setting

CONFIDENTIAL

Period 20/04/22 – 30/06/22	FY 2022 – 2023	FY 2023 – 2024	FY 2024 - 2025	FY 2025 - 2026	FY 2026 - 2027	FY 2027 - 2028
Governing Council appointments 	Term of Governing Council <i>Term of Office = 3 years (Clause 1 Schedule 19 ETA 2020)</i>					
Strategic plan – consultation, decisions made & published <i>(at least every 3 years consult & publish strategic direction for next 5 years – s.483 ETA 2020)</i>	Five-year Strategic Plan					
	Review and consult Strategic Plan with shortened timeframe to shift triennial cycle					
Fees & levy decisions made (incl. inflation prediction for 3-yr period) & fee gazetted 	Fee set and static for 3-year period <i>No specified period set for review of fees & levies (s.480 ETA 2020)</i>					
Continuous improvement	Explore efficiency and effectiveness cost savings					
Governing Council appointments				Term of Governing Council <i>Term of Office = 3 years (Clause 1 Schedule 19 ETA 2020)</i>		
Strategic plan		Strategic Plan review, consultation, decision and publishing 	Five-year Strategic Plan 			
Financial 'wash-up' exercise			'Wash-up' exercise #			
Fee & levy consultation			Consultation of proposed fees and levy <i>(s.480 (4) ETA 2020)</i>			
Fee & levy setting			Decisions made (incl. inflation prediction for 3-yr period) & fee gazetted 	Fee set and static for 3-year period <i>No specified period set for review of fees & levies (s.480 ETA 2020)</i>		
Continuous improvement				Explore efficiency and effectiveness cost savings		

'Wash up' exercise – review expenditure and cost recovery during the 3-year period

- whether under or over spent budget during period
- whether inflation projections were on target

 potential to unlink these dates by delaying fee and levy setting process as dates not specified, but

are specified in the Act for Governing Council appointments and terms

as of 20 April 2022

Council Paper

Item 3.1
Council/Committee Meeting
28/04/2022

SUBJECT: **Fees and levies consultation – timeframes for considering submissions, identifying any need for re-consultation and decision-making**

TO: Governing Council

FROM: Clive Jones – DCE Operational Services

PREPARED BY: [REDACTED]

FOR: Approval Discussion Information

Recommendations

It is recommended that the Governing Council:

1. **Notes** the provisional results from Public Voice of the responses to the proposed fees and levy consultation documents and feedback survey are available
2. **Notes** the final report is expected on 26 April 2022 and will immediately be circulated to Governing Council members for consideration at the hui on 28 April.
3. **Notes** a re-consultation period can be accommodated within the agreed timeframe, if the Governing Council decides such a re-consultation period is necessary or desirable
4. **Agrees** to make 'in principle' decisions subject to change or confirmation, as the Governing Council considers appropriate, once any additional information and modelling requested by the Governing Council to support decision-making has been provided, when discussing the Public Voice report and survey responses at the hui on 28 April 2022
5. **Notes** the areas identified to date as requiring clarification in the feedback document that will be issued in response to the consultation submissions
6. **Advises** staff of any additional areas requiring clarification for inclusion in the feedback document.

Purpose

1. The purpose of this paper is to confirm the next part of the fees and levy consultation process against the timeframe. The timeframe has been amended to provide for a re-consultation period if the Governing Council elects to undertake further consultation. The information provided forms part of the pool of information relevant to deciding what, if any, fee increase and/or levy should apply for the three financial years 2022 to 2025. The paper aims to support the Council's risk assessment and decision-making process, which includes deciding if a further period of re-consultation should be undertaken.

Background

2. In accordance with section 480(4)(a) of the Education and Training Act 2020 (Act) the Council is consulting with teachers and holders of a limited authority to teach on proposed increases to fees and the imposition of a levy for the purposes of funding the Teaching Council's functions set out in section 479(1) of the Act.
3. A consultation document was published on 18 February 2022 and teachers and holders of LAT were invited to provide their feedback by 1 April 2022. Some individuals were granted extensions of time to make submissions and some submitters were invited to speak to their submissions or give further feedback to the Governing Council in person.
4. The Governing Council reviewed and considered key themes emerging during an initial assessment of feedback at its hui of 14 April 2022. The feedback considered at that meeting included written submissions made by peak bodies and individual teachers, oral submissions and advice based on a preliminary analysis of survey results provided by external provider Public Voice. These themes are attached as Appendix One to be considered alongside the provisional survey results from Public Voice which are available through this [link](#).
5. The full Public Voice report is expected on Tuesday 26 April – it will be circulated to Governing Council members as soon as it is received.

Discussion

Timeframe for decision-making

6. Having proposed an increase in fees and imposition of a levy, the Council next needs to decide whether to proceed with the proposals. In accordance with section 480(4)(b) of the Act the Council is required to receive the views presented to it with an open mind and give those views due consideration when making a decision on the proposed fees and levy.
7. Appendix Two is the timeframe established for this mahi. This timeframe was developed by staff following pre-consultation discussions with key stakeholders and is intended to assist Governing Council members and staff in ensuring that milestones are met. Currently we are tracking well against the planned timeline.
8. The version of the timeframe attached as Appendix Two has been amended to provide for a re-consultation period if the Governing Council decides it is necessary or desirable to re-consult. The time frames for this would be very tight but are achievable.
9. The period 28 April to 24 June has been allowed for the drafting of a new consultation document, Governing Council approval of the document, consultation with the Minister, design and formatting, a two-week re-consultation period, and the analysis of feedback.



Consideration of feedback on submissions received and final decisions

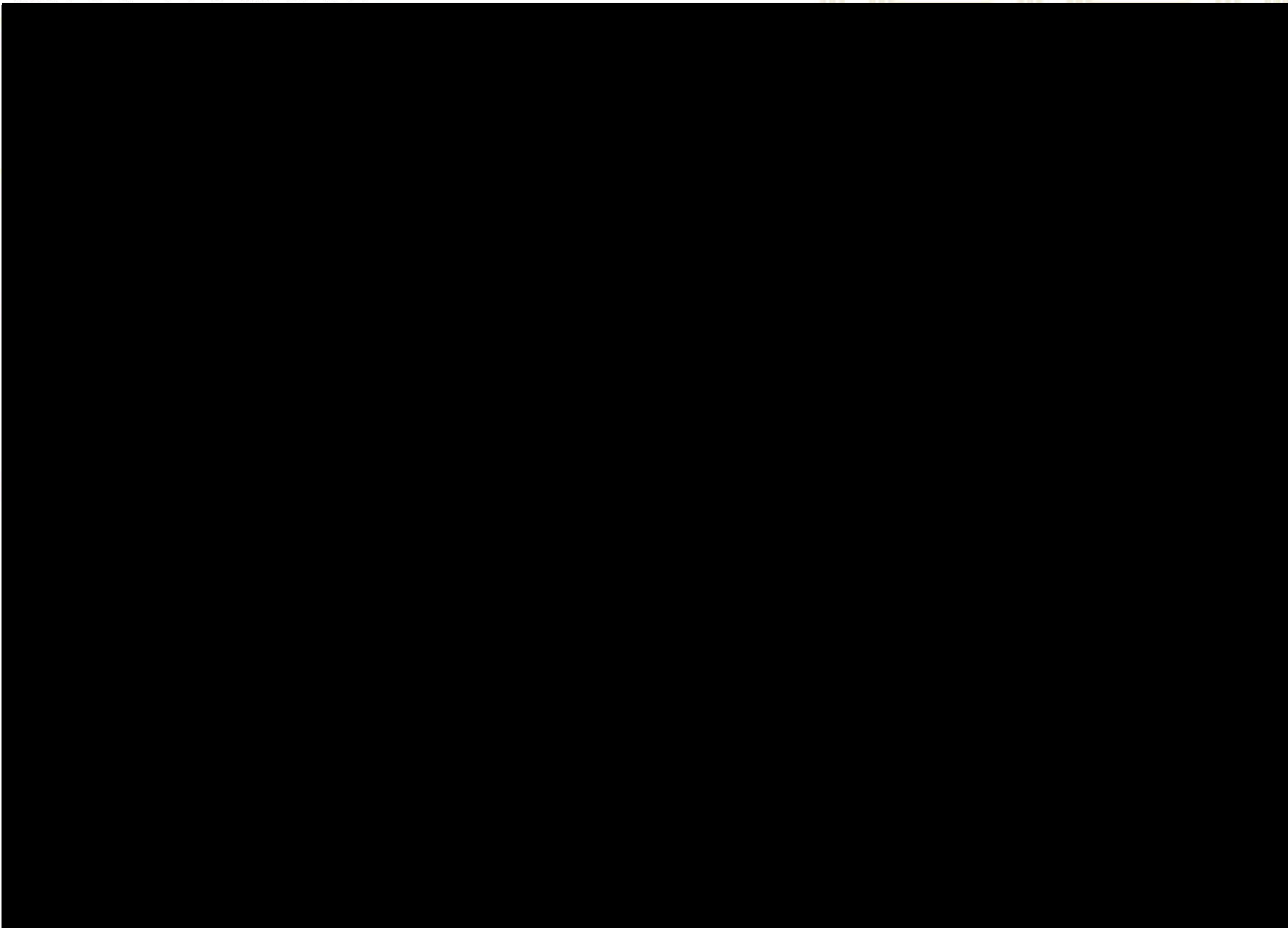
10. The period assigned for the Governing Council's review of submissions is on track – the timeframe provides for 14 to 28 April.
11. The timeframe has the Governing Council making a final decision by 30 June 2022. Making a decision by this date is necessary to allow the Council to continue to operate in a financially responsible manner given the extent of currently available funding and the inability to obtain further funding from Government. As mentioned, any decision to undertake further consultation may impact on the time available to make final decisions.
12. It is recommended that, where appropriate, the Governing Council consider making 'in principle' decisions as they consider the Public Voice report and the responses to the proposals made in the consultation documents. Making 'in principle' decisions will provide staff with additional time to start preparing for implementation.
13. Making 'in principle' decisions can present a risk of the Governing Council being perceived to pre-judge outcomes. Should the Governing Council decide to make any 'in principle' decisions, it can manage this risk by ensuring that it re-visits these decisions once it has full information and, as the Governing Council considers appropriate, changing or confirming these once any additional information and modelling requested by the Governing Council to support decision-making has been provided, and, if applicable, any further information received through a re-consultation period has been duly considered by the Governing Council.
14. Appendix Three sets out the ten proposals in the consultation documents that require the Governing Council to make decisions on.

Providing analysis and feedback on submissions received

15. It has always been intended that a feedback document will be drafted and released to key stakeholders and the profession about the feedback received. Mahi has commenced on developing a draft document describing the key themes emerging from the consultation process and, in due course, once final decisions have been made by the Governing Council, describing any changes and the rationale for them. This document will also be used to clarify any information that appeared to be misunderstood or misinterpreted during the consultation period.
16. Analysis of submissions as at 14 April 2022 identified areas where there was apparently some confusion amongst stakeholders. These include:
 - a. the difference between fees and levies
 - b. that there will not be any inflation adjustments during the three-year period – this seems to be the PPTA's understanding
 - c. how inflation has been calculated, and what the purpose of calculating past inflation was
 - d. how the decision to increase the size of the Governing Council was made in response to calls from the profession for greater representation
 - e. that providing certainty about future regular adjustments to fees and levies would require a law change
17. Any additional areas of clarification identified by the Governing Council during their consideration of the Public Voice report should be noted for incorporation into the feedback document.



Options for further consultation



22. As mentioned, the intention to re-consult would need to be advised promptly if it is to allow the necessary actions to occur within the limited time period available and to still meet the desired implementation date.

PAPER : FEES AND LEVY CONSULTATION – IDENTIFYING ANY NEED FOR RE-CONSULTATION, CONSIDERING SUBMISSIONS AND DECISION-MAKING

Appendix One : Themes from consultation on fees/levy – written submissions

The table below identifies key themes identified in a sample of written submissions – which include a mix of peak body/stakeholder submissions and individual submissions. We have looked at this sample in advance of receiving the analysis from Public Voice, to give you an overview of issues that are likely to be present across the whole data set.

- Stakeholder/peak body submissions are coloured-coded in the table in light orange.
- Collated short-form individual submissions are colour-coded in light blue
- Individual longer-form submissions are colour-coded in light green. These submissions include the individual respondent name and the code that has been used by Public Voice when the submission was uploaded, to assist Governing Council members in identifying these for their own review.

Content in the table is focused on issues raised where the Governing Council may wish to consider options/new information before reaching a decision (which might include further consultation), or where a legal/legislative reasons why a proposed solution cannot be progressed will need to be communicated to the teaching profession.

Some feedback on the consultation process, and the effectiveness of the Council has also been included, as these were raised as concerns by most submitters.

	Differential fees/levy structure	Cost assumptions	Funding of the Council	Reducing Council functions	Payment by instalment models	Ideas to reduce quantum of fees/levy	Other issues/ideas
NZ Principals' Federation	<p>Don't support different fee levels for different PC types</p> <p>Don't support increase in late fee</p>	<p>Agree full cost of reg/cert should be met by individual.</p> <p>Majority (64%) agreed fee should be paid every three years</p> <p>Don't support levy amount (cite lack of clarity about services levy covers) - but appreciate why there is a levy for some mandatory functions</p> <p>Stated fees should be set for a three-year period, CPI rather than inflation added on renewal.</p>	<p>Don't accept responsibility for TC failing to operate in financially prudent way e.g. maintaining same fee level for 12 years.</p>	<p>Mixed views on establishment of leadership centre/leadership function</p>	<p>Don't support proposed payment by instalment options</p> <p>Have proposed payment by instalment for the levy</p>		<p>Noted: no increase in past 12 years – creating resourcing gap; no further govt funding; TC's legislated functions it must undertake</p> <p>Proposed TC promoting establishment of employment protection officers for principals – to advocate for systemic employment protection</p>

	Differential fees/levy structure	Cost assumptions	Funding of the Council	Reducing Council functions	Payment by instalment models	Ideas to reduce quantum of fees/levy	Other issues/ideas
NZEI		Disappointed affordability issues raised have not resulted in better solutions from TC and government	TC should work with government to introduce any fee increases in a phased manner over a period of time		Given size of increase, should offer different payment options such as annual fee payments	Recommend government provide funding for increased conduct/competence cases, until new efficiencies/reporting thresholds implemented	Urge TC to highlight the work it does that doesn't entail censuring teachers – to help teachers see greater value of the Council
PPTA		<p>Economic benchmarking inaccurate (this has already been discussed with TC and further advice sought).</p> <p>Noted other inaccuracies esp. relating to current PC costs table.</p> <p>Impact of decrease in MR costs has not been included.</p> <p>Don't support fixing fees/levy for three-year period – should be no automatic increase.</p>	Further funding should be provided by govt if TC can't cover mandatory functions within current income.			<p>Alternative percentage increase (19.2%) proposed, meaning smaller increase in overall fees/levy amount</p> <p>Believe more costs associated with ITE function should be passed on to ITE providers.</p>	<p>Consultation process – documents too long/too much detail; timing of consultation; proposed fees/levy largely the same as previous consultation;</p>

	Differential fees/levy structure	Cost assumptions	Funding of the Council	Reducing Council functions	Payment by instalment models	Ideas to reduce quantum of fees/levy	Other issues/ideas
Individual written submissions	<p>Several respondents raised concerns about impact of increased fees on relieving teachers and new/beginning teachers especially in ECE – support for differential fee for these groups of teachers</p>	<p>Concerns about levy being charged for services or activities a teacher may not receive/use</p> <p>Widespread objection to overall amount for proposed fees/levy</p> <p>Increase not in line with increases in teacher wages/salaries - so not acceptable to teachers</p> <p>Some noted the inflation increase was too high – referred to the PPTA calculation of 19.2%</p> <p>Some noted opposition to three-year fee setting period.</p>	<p>Some saw fees/levy increase as unfair because they did not support expansion of Council functions</p> <p>Some noted that the Council should stick to its core business – this was largely seen as reg/cert, disciplinary and ITE</p> <p>Perception that decision to enlarge Board/associated costs was made by TC</p> <p>Teachers are providing a service to the public – costs should be met by the public</p>	<p>Querying what are the mandated functions</p> <p>Querying asking teachers to pay for own oversight and governance – should be an independent govt funded entity</p> <p>Other functions dealt with by other organisations – MoE, unions.</p>	<p>Some noted that paying over time does not address the overall impact of a significant increase</p>	<p>Some felt conduct/competence functions should be paid for by those using them</p>	<p>Widespread unhappiness about timing of consultation – noted by many respondents</p> <p>Reconsider start date to implement an increased fees/levy decision</p> <p>Honorary teacher status – for those who may be doing a very small amount of relieving or are in other roles – and reduced/no fee</p>

	Differential fees/levy structure	Cost assumptions	Funding of the Council	Reducing Council functions	Payment by instalment models	Ideas to reduce quantum of fees/levy	Other issues/ideas
(TC-481791)		Unaffordable for new teachers and ECE teachers. The cost for ECE teachers will be the equivalent of 40% of their fortnightly income.			This will help to remove some of the barriers created by hiking costs, but do not support if there is additional cost.		
(TC-687865)				MoE could do teacher registration. Many not interested in other mahi Council does.			
(146-c7e2... etc)		Consult teachers on what they think is a reasonable cost; and only for those functions that we want. Fees should only increase by amount of inflation since 2010 which is 19% Proposal to increase by inflation over three years is not ok		Don't want to pay for the functions we don't want			Consultation rushed, not user friendly; not genuine; document too long. No reason why timeframe couldn't have been extended New Board should be making this decision

	Differential fees/levy structure	Cost assumptions	Funding of the Council	Reducing Council functions	Payment by instalment models	Ideas to reduce quantum of fees/levy	Other issues/ideas
(TC 8013540)	Costs of investigating teachers should be covered by government and teachers who end up being prosecuted.	<p>Agree with fees being set for 3 years. 4, 5 or 10 years would be better.</p> <p>Cost comparisons with other professions are irrelevant because teachers are paid less.</p> <p>In other professions, companies pay registration costs on their employee's behalf.</p>	<p>Funding should be a joint venture between teachers and the government.</p> <p>Council needs to find alternative funding in the same way that ECE and schools do (mentioned fundraising they do)</p> <p>Government chose to expand the Council's mandate so it should fund expanded mandate</p>				<p>Council should be advocating for teacher rights, including to higher pay and better working conditions.</p> <p>Would support a fee increase if the Council advocated for a matching increase in teacher salaries.</p>

	Differential fees/levy structure	Cost assumptions	Funding of the Council	Reducing Council functions	Payment by instalment models	Ideas to reduce quantum of fees/levy	Other issues/ideas
██████████ C- 8215540)		<p>Take issue with using inflation and public sector wage increases.</p> <p>Should instead be matched to teacher pay scale adjustments.</p> <p>Also seems the Council used the wrong index.</p> <p>Registration and Police vet costs are not justified when principals do all of the work.</p> <p>Agree with setting fees and levies for a 3-year period</p>	Half the Board are MoE-appointed. MoE therefore need to front up the money.	Council should negotiate with MoE to reduce its mandatory functions.	<p>Do not want to pay weekly/fortnightly/monthly if this means more cost.</p> <p>Do not compare the cost to buying a cup of coffee per week. Teachers at the chalk-face need their coffee!</p>	ITE providers should pay for services required to have their programmes assessed and approved.	<p>Council undermining status of teachers</p> <p>Have hardcopy reg/cert cards for discounts</p> <p>NZQA should pre-approve overseas quals, so that overseas-trained teachers don't have to pay high costs for having these approved</p> <p>Council should support teachers in contract negotiations for higher salaries.</p>

	Differential fees/levy structure	Cost assumptions	Funding of the Council	Reducing Council functions	Payment by instalment models	Ideas to reduce quantum of fees/levy	Other issues/ideas
(TC-8315817)	Introducing a levy is dishonest and an attempt to change the narrative by changing the language.	Most professionals can claim back costs from their clients to meet higher costs, teachers cannot.	The Council, if it must exist, must be paid directly via tax-take by Government.	Council pays too many staff too much, to do work that teachers didn't ask them to do. Council doesn't enhance the status of the profession		If government needs teachers and LATs to join the workforce then it should pay the costs.	I do not trust this consultation. The data for the outcome will be able to be distorted – possibly even enough to make it sound like I agree.
(TC-8315908)	Don't support o/s teachers paying more to cover extra costs of their application	No - salaries have a fixed upper limit, unlike other professions	Should be lobbying government to fund all functions and further review costs	Teachers didn't ask for additional functions – if government wants them, should pay for them			Teacher shortage – increasing costs is not going to encourage people into the profession

	Differential fees/levy structure	Cost assumptions	Funding of the Council	Reducing Council functions	Payment by instalment models	Ideas to reduce quantum of fees/levy	Other issues/ideas
(b) (5) TC-8315917)	Doesn't support extra costs for different PC types or LAT e.g. o/s teachers	No – created by government – should be paid for by government		Government should be funding, if they want all these functions The work associated with the functions is done at the level of the school	Does not support payment by instalment, especially if extra costs – views this as TC trying to gather extra revenue	Allocate the fees to government	
TC-8616313	Don't support extra costs for different PC types or LAT e.g. o/s teachers Concerned about impact on casual relievers etc	Don't support late fee increase Don't want to pay for collective services by levy – don't use them			Unsure about payment by instalment – concerned about additional costs	Pay fees/levy in arrears like a power bill	Teachers and the public need to know what value TC provides

	Differential fees/levy structure	Cost assumptions	Funding of the Council	Reducing Council functions	Payment by instalment models	Ideas to reduce quantum of fees/levy	Other issues/ideas
(TC-9022406)	Support extra cost of PC for o/s teachers Don't support extra costs for LAT or Tōmua to Tūturu	Disagree with costs assumptions – cites impact on profession, high cost of living, impact of Covid on teachers, TC staff are paid too much				TC reduces its bloated operating costs 1-year payments of fees/levy	Why aren't TC out there fighting for teachers to get better paid?
(164-571)			Government funding is not enough already teachers pay for basic supplies, and now this increase		I simply can't afford this and I'm on top of the payscale		
(TC-9022726)	Ok with distributing levy equitably (not ok with levy being charged at all)	Increase is exorbitant for what TC does Status quo for payment period ok Don't support increase in late fee – not teachers fault if school or TC processes don't send reminders		Council should only be undertaking regulatory functions like reg/cert	Would be interested in payment by instalment if no extra costs (also in context of not increasing quantum of fees/levy)		TC out of touch; timing is terrible; teacher salaries have not increased,; workload pressure; teachers will leave the profession

	Differential fees/levy structure	Cost assumptions	Funding of the Council	Reducing Council functions	Payment by instalment models	Ideas to reduce quantum of fees/levy	Other issues/ideas
[REDACTED] (TCWS-681045)	Disagree with cost for Tōmua teachers, increase in cost moving to a full PC and for ECE teachers. There must be a lower cost for these vulnerable and low paid teachers or you will lose them from the profession						TC isn't listening to teachers. We simply can't afford this
[REDACTED] (TCWS-671020)	Good teachers shouldn't have to pay for disciplinary functions – they should be paid for in fines by schools	The costs are too high and we are being asked to pay for services that we don't receive	Parliamentary debate discussed Government giving funding to TC so why haven't we shared this?				Concern about the fast changes to ETA to make the fees lawful. This was Labour covering up an undemocratic process
[REDACTED] (TCWS-731092)			Govt should pay a much greater share of the TC's increased costs				

	Differential fees/levy structure	Cost assumptions	Funding of the Council	Reducing Council functions	Payment by instalment models	Ideas to reduce quantum of fees/levy	Other issues/ideas
(TC 481196)		No - Look at your own operational costs	If the government wont back you, why should I when I can't see that any of your services will help me	I don't want all your services so why should I pay			Beginning teacher so I have no relationship with the council and am angry that you would impose such a high fee
(TCWS-891141)	Fees and levies descriptors useful for technical understanding, but in effect arbitrary divisions which are soon lost when facing a single cost and/or significant increase. LATs - Where things are the same the costs should be the same. Tōmua to Tūturu - If there is an	No - cost pressures on whanāu; value proposition has not been well enough explained or justified - heavy on what should be paid - light on what considerations have been made to reduce cost, or other options Just because law says you can impose a cost, does not mean that you should do so. Question should be (for fee setting period) what is the professionally appropriate renewal		Not convinced mandatory functions are currently carried out in a cost-effective manner.	Having a cost that can be paid fortnightly via automatic payment is a good idea Don't think it is a good idea, practically nor reputationally, for TC to be brokering debts for members to pay their fees/levies. The payment options should be very similar, and ideally identical, whether I choose to pay all at once or fortnightly	"Modules" of service that can be provided or not) The VIT model of operating should be explored further - has similar functions as TC with a similar professional membership, yet fewer staff and lower fees/costs. Stop doing things that teachers don't value; be more efficient with things that teachers see as necessary; maintain a minimum core staff and contract/second from the sector	Is it time to source a professional insurance scheme accessible to all teachers, from which costs can be claimed from the few that access this insurance cover

	<p>additional cost, then yes agree with this. But why is there an additional cost? PL is making the assessment</p> <p>Late fee - Only if there are additional costs to TC and if teacher can charge TC if PC isn't processed in reasonable time frame</p>	<p>cycle: Might be different for different PC types</p> <p>Actual cost of renewal or annual cost to retain currency of registration is a different decision.</p> <p>Fees/levy ideally should be set with some certainty (e.g. for the next 2 years) and at least one year ahead (e.g. in 2023 TC confirms costs for 2024 and 2025) using a proven process (which includes member representation etc).</p>					
(TCWS-821107)		<p>The inflation figures used are flawed.</p> <p>Do not agree with making further allowances for inflation, because teachers do not have a built-in inflation-adjusted mechanism in our salaries.</p>		<p>New functions far exceed the old functions</p> <p>Removing the superfluous functions would significantly reduce operating costs.</p>			<p>Disagree with process – timing is poor and documents are not user-friendly.</p>

	Differential fees/levy structure	Cost assumptions	Funding of the Council	Reducing Council functions	Payment by instalment models	Ideas to reduce quantum of fees/levy	Other issues/ideas
(TCWS-681084)							<p>Teacher wellbeing is crumbling. COVID has had a huge impact and stress is at a peak. This proposal adds to that.</p> <p>The increase is disproportionate to any small increase in wages teachers have had over the past 3 years.</p>